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Serial Nos. 1

(Gen. Finance)

Later references.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B. for

SUBJECT.

The Rules of Association of the Maharaja of Mysore Spinning and Manufacturing Co. Limited, Bangalore.

MEMORANDUM OF ASSOCIATION

OF THE

MAHARAJAH OF MYSORE

Spinning & Manufacturing Company,

LIMITED,

WITH

ARTICLES OF ASSOCIATION

ANNEXED.

PRINTED AT THE DAILY POST AND EXAMINER PRESS.

MEMORANDUM OF ASSOCIATION

OF THE

MAHARAJAH OF MYSORE

Spinning & Manufacturing Company,

LIMITED,

WITH

ARTICLES OF ASSOCIATION

ANNEXED.

Bangalore:

PRINTED BY RICHMOND F. HAYES,

AT THE DAILY POST AND EXAMINER PRESS.

1883.

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OF THE

MAHARAJAH OF MYSORE

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MEMORANDUM OF ASSOCIATION

OF THE

MAHARAJAH OF MYSORE

Spinning and Manufacturing Company,

LIMITED.

1. The name of the Company is the "MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY," LIMITED.

2. The Registered Office of the Company will be situate in Bangalore.

3. The objects for which the Company is established are the following :—

(*a*). To purchase, in Bangalore, or in any part of India or elsewhere, any machinery, plant, stores and other articles and things for all or any of the objects or purposes of the Company, and to pay for the same either in cash or to make advances on them.

(*b*) To buy, in Bangalore or elsewhere, for the purpose of manufacture, raw cotton and all materials and things useful or necessary for dyeing, bleaching and printing purposes; to spin, weave, manufacture, dye, bleach and print and otherwise utilise the same, and to sell in Bangalore for cash or on credit, or to contract for the sale and future delivery of, or to send for sale in any part of India or elsewhere, the yarn, cloth and other commodities so manufactured or prepared, as the Directors may deem advisable.

(*c*) To purchase, buy, take on lease or otherwise acquire any land (whether freehold, leasehold or otherwise), houses, buildings or other property with or without machinery in Bangalore or other part of the Province of Mysore, and to erect, construct and build any warehouses, engine houses, factories, mill or other buildings which may be considered expedient or desirable for the objects or purposes of the Company or any of them, and to pay for the same land, buildings and other property, whether purchased or acquired or built or constructed by the Company, either in cash or to make advances on them or any of them.

(*d*) To extend the business of the Company from time to time, by adding to, altering or enlarging, all or any of the bulidings, mill premises, plant and machinery, for the time being the property or in the possession of the Company; also by erecting new or additional buildings on all or any of the lands for the time being the property or in the possession of the Company; and also by expending from time to time such sums of money as may, in the opinion of the Directors, be necessary or expedient for the purposes of improving, adding to, altering, repairing and maintaining, the buildings, machinery, plant and property for the time being of the Company, and to pay for all such extensions, improvements, additions and alterations either in cash or to make advances on them.

(*e*) To resell, from time to time, any raw cotton, wool, jute, silk, hemp, fibres, materials, machinery, plant, stores and other articles and things, as the Directors may think proper.

(*f.*) To remove all or any of the machinery, plant and stores of the Company for the time being in or upon any land, buildings or premises of the Company to other lands, buildings or premises, wheresoever situate, of the Company.

(*g*). With the sanction of a special resolution passed by the shareholders, to purchase the reversion or reversions or otherwise acquire the freehold or fee simple of all or any part of the leasehold lands, or lands, for the time being the property of the Company.

(*h*). With the sanction of a special resolution passed by the shareholders, to sell, exchange, or lease, the whole or any part of the land or other immovable property for the time being belonging to the Company, and to take back the same on lease or repurchase, for such price or prices, and on such terms and conditions as may be agreed upon.

(*i*). To invest the funds of the Company, from time to time, in the unallotted or forfeited shares of the Company, or in any shares of the Company which may have been allotted or taken up, or which may be afterwards offered by the holders thereof for disposal, provided that the Company shall at no time invest in such shares to the extent of more than one-fourth of the paid-up Capital of the Company, and to sell such shares from time to time, as may be deemed expedient.

(*k.*) With the sanction of a special resolution passed by the shareholders, from time to time, to purchase, take on lease or otherwise acquire, for the purpose of manufacturing jute, hemp, silk, wool, paper and other fabrics and things, and for the working of iron and other metals, and for making articles of pottery and glass, any land (whether freehold, leasehold or otherwise), with or without buildings or premises, and with or without machinery, in Bangalore or elsewhere in the Province of Mysore, and to erect, maintain and work other mills and factories.

(*l*). With the sanction of a special resolution passed by the Shareholders, to extend the business of the Company by purchasing, acquiring or leasing land, either leasehold or freehold, with or without buildings and with or without machinery, or any other manufactory or manufactories from any joint stock company or companies or other public or private concern.

(*m*). With the sanction of a special resolution passed by the Shareholders, to purchase or acquire the good-will or any interest in any mill or business of a similar nature or kindred character to or with those of the Company, and to amalgamate, in whole or in part, or effect any other arrangements with other companies, partnerships or persons.

(*n*). The partners who at present constitute or who may hereafter constitute the firm of Messrs. James Scott and Co., of 9, Hornby Row, Bombay, to be the Agents of the Company, and their remuneration as such Agents shall be ten per cent on the Net Profits of the Company, and Mr. W. South to be the Secretary, on a fixed salary, to be determined by the Directors.

(*o*). And to do and perform generally all such other acts and things as may be necessary or conducive to the attainment of all or any of the above objects or in anywise incidental thereon.

4. The liability of the shareholders is limited.

5. The capital of the Company is 4,50,000 Rupees, divided into 4,500 shares of Rs. 100 each, with power to increase the capital of the Company.

Dated this day of 188

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names.

ARTICLES OF ASSOCIATION

OF THE

MAHARAJAH OF MYSORE

SPINNING AND MANUFACTURING CO.,

(LIMITED.)

IT IS AGREED AS FOLLOWS :—

1. THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, is established with limited liability in accordance with and subject to the provisions of the Indian Companies' Act X of 1866, but none of the regulations contained in the table marked A in the first Schedule to the said Act, except so far as such regulations are embodied in these Articles, shall be applicable to this Company. Table A not to apply.

2. The regulations for the management of the Company, and for the observance of the members thereof and their representatives, shall; subject to any exercise of the statutory power of the Company in reference to the repeal or alteration of or addition to, its regulations, by Special Resolution, as prescribed by the said Act; be such as are contained in these Articles.

Capital.

3. The Capital of the Company shall be 4½ lakhs of Rupees, divided into 4,500 shares of Rs. 100 each; but such Capital may be increased in manner hereinafter mentioned. Amount of Capital.

4. The Directors may from time to time take over, on account of the Company, any number of shares that may remain unallotted, provided that the aggregate nominal value thereof shall not, at any one time, exceed one-fourth of the Capital for the time being of the Company. Shares to be taken up by the Company.

5. The Company may from time to time, by any special Resolution passed at any General Meeting, increase its capital by the issue of new shares (preference or otherwise), such aggregate increase to be of such amount, and to be divided into shares of such respective amounts, and issued upon such terms and conditions, as the Company in General Meeting may decide upon. Increase of Capital.

New Capital to be considered as part of original Capital.

6. Any capital, raised as aforesaid, shall be considered as part of the original capital, and shall be subject to the same provisions in all respects as if it had been the original capital, unless it be otherwise determined by the Company in General Meeting at any time or times.

Shares.

Acceptance of Shares.

7. An application signed by or on behalf of the applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus, or otherwise, accepts any shares, shall, for the purposes of these Articles, be deemed a shareholder.

Deposit to be paid immediately.

8. The money (if any) which the Directors shall, on the allotment of any shares being made by them, require or direct to be paid, by way of deposit, call, or otherwise, in respect of any shares allotted by them, shall immediately after such allotment become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Member for proportion of Capital.

9. Every member, his executors or administrators, shall pay to the Company, the proportion of the Capital represented by his share or shares, which may, for the time being, remain unpaid thereon, in such amounts, at such time or times and in such manner as the Directors shall, from time to time, in accordance with the Company's Regulations, require or fix for the payment thereof.

Share certificate.

10. Every allottee of shares shall be entitled to receive gratis a certificate or certificates, signed by two of the Directors and countersigned by the Agents or Secretary of the Company, or by any other person appointed for the purpose by the Directors, and such certificate shall specify the share or shares allotted to the recipient, and the amount paid thereon: no share shall be registered in more than one name.

Certificate by whom to be signed.

Renewal of certificate in case of loss.

11. If any such certificate be lost, it may be renewed or replaced on payment of Re. 1-0-0 for every share comprised therein, or such other sum, not exceeding five rupees, as the Board may from time to time prescribe: Provided such evidence as the Board may deem reasonable be afforded of the loss of such certificate, and of the title thereto of the party applying for the renewal, and provided such indemnity be given in respect of the issue of the new certificate, and otherwise, as the Directors may require.

Renewal of worn-out certificate.

12. If a certificate be worn out, it may be renewed on payment of a fee of eight annas per share.

Endorsement on certificate.

13. Every endorsement upon the certificate of any share in favour of any transferree thereof shall be signed by one of the Directors, or by some other person for the time being duly authorised by the Directors in that behalf. In case any transferree of a share shall apply for a new certificate thereof, in lieu of the old or existing certificate, he shall be entitled to receive a new certificate on payment

by him (in addition to the transfer fee) of the sum of one rupee for every share in respect of which a new certificate is applied for, and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one. New certificate to a transferee.

14. In the event of a certificate being filled up with endorsements, and a further transfer of the shares to which it refers being made or required, a new certificate shall be issued free of charge. New certificate to be issued when certificate is filled up.

15. The Company shall have a first and paramount lien upon all the shares and dividends of any Shareholder for all monies from time to time due or payable to the Company from him alone or jointly with any other person; and where a share is held by a member in joint account with others, the Company shall have a lien thereon, and on the amount of dividend due thereupon, in respect of all monies so due to them from all or any of the holders thereof; and the shares of any member who may be indebted to the Company may, by order of the Directors, be sold to satisfy the Company's lien thereon, and transferred into the name of the purchaser, without any consent, and notwithstanding any opposition on the part of the indebted member; and a complete title to the shares of any member alleged by the Directors to be indebted to the Company which shall be so sold and transferred shall be acquired by the purchaser, by virtue of such sale and transfer, against such indebted member, and all persons claiming under him, whether he be indebted to the Company in point of fact or not. Company's lien on shares.

16. No share shall be registered in the name of more than one person. Share to be registered in name of one person only.

17. The Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these presents otherwise expressly provided) any other right in respect of a share than an absolute right thereto, in accordance with these presents, in the person from time to time registered as the holder thereof. Company not bound to recognise any but a registered Shareholder.

18. Any Shareholder who shall change his name or place of abode, or who, being a female, shall marry, and the husband of any such last mentioned shareholder, respectively, shall not be entitled to recover any dividend, or to vote, until notice of the change of name or abode, or marriage, be given to the Company, in order that the same be registered. Notice of change of name or abode, or marriage, of female Shareholder.

Calls.

19. The Board may, from time to time, but subject to the conditions hereinafter mentioned, make such Calls upon the Shareholders, in respect of all monies for the time being unpaid on their shares, as the Board may think fit; and every Shareholder shall be liable to pay the amount of every Call to the persons, and at the time and place appointed by the Board, provided that an interval of one calendar month, at the least, shall elapse between the making of every Call. Board may make Calls to be paid by Shareholders.

Notice of Call how to be given and how long.

20. Fourteen days' notice at the least shall be given by the Company of the time and place appointed by the Board for the payment of every such Call, by advertisements in at least two English and one Vernacular newspapers published in Bangalore, or in writing sent to the respective registered addresses of Shareholders, through the post or by messenger.

Whole amount to be called up within 12 months after issue of share.

21. The Directors shall, within twelve months from the date of the issue of any share in the Company, call up the whole amount unpaid thereon, at such times and in such manner as they may think proper.

Call when made.

22. A call shall be deemed to have been made at the time when the Directors pass a Resolution making such Call.

Interest due on Calls.

23. If any shareholder fail to pay any Call due from him on the day appointed for payment thereof, he shall be liable to pay interest for the same from the day appointed for the payment thereof to the time of actual payment at 12 per cent. per annum, or at any less or greater rate which may from time to time be fixed by the Directors.

Part payment on account of Calls.

24. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Money due to Shareholder from the Company.

25. Any money due from the Company to a Shareholder may, without the consent of such Shareholder, be applied by the Company in or towards payment of any money due from him to the Company for Calls or otherwise.

Transfer of Shares.

Transfer Register.

26. The Company shall keep a book to be called the "Register of Transfers," and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share in the Company.

Form of Transfer Deed.

27. Shares in the Company shall be transferred by an instrument in writing in such form as shall from time to time have been approved of by the Directors, and, until any other form shall have been so approved of, in the form following, or as near thereto as circumstances will admit :—

I, *A. B.*, of in consideration of the sum of Rs. paid to me by *C. D.*, of do hereby transfer to the said *C. D.*, the share numbered standing in my name in the books of the MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, to hold unto the said *C. D.*, his executors, administrators and assigns, subject to the Memorandum and Articles of Association of the said Company; and I, the said *C. D.*, do hereby agree to take the said share subject to the said Memorandum and Articles of Association. As witness our hands the day of 188 .

Witness.

Transfer Deed by whom to be executed.

28. Every such instrument of transfer shall be executed both by the transferror and transferee, and the transferror shall be deemed to remain the holder of such share until the name of the transferree is entered in the Register of Shareholders in respect thereof, and a fee of one rupee, or such less or greater sum as the Directors may from time to time direct, shall be payable by the transferror in respect of every share transferred.

Board may decline to register transfers.

29. The Board may decline to register any transfer of shares in respect whereof any Shareholder is indebted to the Company for calls, interest, or otherwise, or whilst any sum of money is due from such Shareholder to the Company, either solely or jointly, on any account whatsoever.

Board may decline to register transfer if transferree not approved.

30. The Board may also decline to register any transfer of shares if the Board shall not approve of the proposed transferree; and the Board shall not be obliged to give any reason for declining to do so. The Board shall in every case have the right of pre-emption, at the market rate of the day, of any and all shares which any member or members may wish to sell or transfer; and any Shareholder intending to dispose of his share or shares in the Company, to any person whomsoever, shall in the first instance send to the Board a printed or written notice stating what share or shares the Shareholder is desirous of disposing of, and the name and address of the person or persons proposing to purchase the same, and shall offer the same for purchase by the Board of Directors on account of the Company, at the market rate of the day, in the form following, provided that the value of any share or shares so taken up by the Directors shall not, together with the nominal value of any share or shares already held by the Company, exceed in nominal value one-fourth of the capital for the time being of the Company.

TO THE BOARD OF DIRETCORS OF THE

MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING CO., LIMITED.

GENTLEMEN,

Application for transfer.

I beg hereby to give you notice that I am desirous of selling my share numbered
in the above Company, and that *A. B.* has offered to purchase the same from me for the sum of Rs. and I hereby, in pursuance of the 31st Clause of the Articles of Association of the Company, offer the same to you.

I remain, Gentlemen,
Your obedient Servant,

Bombay, 188

Shares of deceased Shareholder.

31. The executor or administrator of a deceased Shareholder (who held a share or shares in his own right) shall be the only person whom the Company is bound to recognize as having any title to the shares of such deceased Shareholder.

Registration of persons entitled to shares otherwise than by transfer.

32. Any person becoming interested in a share in consequence of the death, bankruptcy, or insolvency of any shareholder, or the marriage of any female shareholder, or by any lawful means other than by a transfer in accordance with these presents, may, if the Directors think fit and not otherwise, be registered in the Register of Shareholders as proprietor of such share, upon the terms that may from time to time be required by the Directors, and upon his producing such evidence as to title and otherwise as the Directors may deem sufficient, and under the following form of transfer.

Shares standing in name of clerk, or agent.

33. Every person who may be entitled in his own right to any share or shares standing in the name of his clerk, or agent, servant or nominee, may be registered as the holder of such share or shares, either during the *lifetime* or after the death of such clerk, agent, servant or nominee, provided such proofs as the Board may deem reasonable be afforded by such person as to his title to such share or shares, and provided such indemnity be given as the Board may require, and under the following form of transfer :—

THE DIRECTORS,

THE MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED.

Form of transfer when share transferred from name of clerk, or agent, &c.

I, *A. B.*, of in consideration of your having agreed at my request to transfer to my name the share No. standing in the name of my (clerk, &c., as the case may be), do hereby agree to hold the said share, when transferred to me, subject to the Memorandum and Articles of Association of the Company.

Transfer books to be closed for not more than 30 days in the year.

34. The Directors shall have power to close the Transfer Books of the Company for such period or periods of time in every year as to them may seem meet, but not exceeding thirty days in the whole year.

The Company not liable for disregard of any notice prohibiting transfer.

35. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares, made, or purporting to be made, by any apparent legal owner thereof to the prejudice of persons having, or claiming any equitable right, title, or interest to or in the same shares, notwithstanding that the Company may have had notice of such equitable right, title, or interest, or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company; and the Company shall not be bound or required to attend, or give effect to any notice, which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

Copy of Memorandum and Articles to be furnished to Shareholders.

36. Copies of the Memorandum and Articles of Association shall be furnished by the Directors to every shareholder at his request on payment of the sum of One Rupee for each copy, or such greater or less sum as from time to time the Directors may think fit.

Forfeiture of Shares.

If call not paid, notice to be given to Shareholders.

37. If any Shareholder fail to pay any money due from him, in respect of any call made on a share on the day appointed for payment or any interest in respect of such call, and expenses that may be incurred thereon, the Directors, or any person authorised by them for that purpose, may, at any time thereafter, during such time as such money remains unpaid, give notice to such Shareholder, or to his legal personal representatives, by advertisements, in two English and one Vernacular daily newspapers published in Bangalore, or by writing sent to the registered address of such Shareholder through the post, or by messenger, requiring payment of the money payable in respect of such share, call or interest and expenses incurred thereon.

Notice how to be given.

Notice to name further day.

38. The notice shall name a day (not being less than ten days, from the date of the notice) and a place or places on and at which the money due as aforesaid is to be paid, and the notice shall also state that in the event of non-payment of such money at the time and the place appointed the share or shares in respect of which the same is owing will be liable to be forfeited.

Notice if not complied with, share to be forfeited.

39. If the requisitions of any such notice be not complied with, every share in respect of which the notice is given may at any time thereafter be declared forfeited by a Resolution of the Directors to that effect, without any further communication with such Shareholders.

Notice after forfeiture

40. When any share or shares is or are declared to be so forfeited, notice of the forfeiture shall be given to the holder or holders of such share or shares, either by advertisements in two English and one Vernacular daily newspapers published in Bangalore, or by writing sent to the registered address of the holder or holders of such share or shares through the post or by a messenger.

Forfeited shares to be sold, re-allotted or otherwise disposed of, or may be taken over by the Directors.

41. Every share which shall be so declared forfeited, shall thereupon be the property of the Company, and may, at any time thereafter, be sold, re-allotted, or otherwise disposed of, to the original holder thereof, or to any other person, and either by public auction or by private sale, upon such terms and in such manner as the Directors shall think fit. The share or shares so forfeited may be taken over by the Directors on account of the Company, provided that the nominal value of any such share or shares shall not, together with the nominal value of any share or shares already held by the Company, exceed in nominal value one-fourth of the Capital for the time being of the Company.

Shareholder liable to pay calls due notwithstanding the forfeiture.

42. Any Shareholder whose shares may be forfeited shall, notwithstanding the forfeiture, be liable to pay to the Company all money owing upon the shares at the time of forfeiture and the interest (if any) due thereon, and all expenses incurred by the Company relating to the forfeiture of the shares.

When share is forfeited all dividends and bonuses due

43. The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in all claims and demands against the Company in

thereon to the Shareholder shall be forfeited.

respect of the share and all dividends and bonuses due and payable in respect thereof, and also all other rights incidental to the share.

Certificate of forfeiture.

44. A certificate in writing under the hands of two Directors, and countersigned by the Secretary or Agent, or any other person who may be appointed for the purpose by the Directors, that the call in respect of a share was made, or, as the case may be, interest in respect of a call was payable, and notice thereof specified in Clause 38 of these Articles was given but not complied with, and that the forfeiture of the share was made by a resolution of the Directors to that effect, shall be sufficient evidence of the facts stated therein as against all persons entitled to or interested in such share, and such declaration, and the receipt of the Company for the price of such share, shall constitute a good title to such share, and a certificate such as is specified in Clause 10 of these Articles shall be delivered to the purchaser, and thereupon he shall be deemed the holder of such share discharged from all calls due prior to such purchase, and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity in the proceedings in reference to such forfeiture of share.

General Meeting.

Meetings of Shareholders where to be held.

45. All General Meetings, whether Ordinary or Extraordinary, shall be held at the Registered Office of the Company, or at the Mill or other premises of the Company, or at any convenient place in Bangalore, as the Directors may think fit.

The first Ordinary General Meeting.

46. The first Ordinary General Meeting of the Company shall be held after the registration of the Company at such time and at such place, as the Directors shall direct.

Subsequent Meetings when to be held.

47. Subsequent General Meetings shall be held at least once a year, at such time between the months of July to December in every year, and at such place, as the Directors may determine.

Ordinary and Extraordinary.

48. The above-mentioned General Meetings shall be called Ordinary Meetings, and all other General Meetings shall be called Extraordinary.

Extraordinary General Meeting.

49. The Directors may convene an Extraordinary General Meeting of the Company whenever they think fit.

Extraordinary General Meeting to be convened on requisition.

Requisition to be signed by how many members.

50. The Directors shall convene an Extraordinary General Meeting of the Company upon receiving a requisition in writing and signed by at least twenty Shareholders entitled for the time being to vote at a meeting of the Company if the total number of Shareholders exceed one hundred for the time being, or by not less than ten Shareholders if the total number of Shareholders exceed twenty-five and be under one hundred for the time being, or by not less than five Shareholders if the total number of Shareholders exceed seven and be under twenty-five for the time being: Provided that the requisition shall in no case be valid unless the Shareholders signing the same shall hold between them not less than two hun-

dred shares of the Company, and provided also that no such requisition shall be valid if signed by any Shareholder who is indebted to the Company for calls or interest and expenses in respect of them, or is not qualified to vote.

Requisitionists should hold not less than 200 shares.

51. Any requisition so made by Shareholders shall express the object of the meeting proposed to be called, and shall be left at the Registered Office of the Company during business hours.

Requisition to state the object of the Meeting.

52. Upon the receipt of any such requisition the Directors shall forthwith convene an Extraordinary General Meeting, and if they neglect to give notice for the holding of such meeting within twenty-one days from the receipt of such requisition, the requisitionists may themselves, by such notice as hereinafter provided, convene the meeting to be held at the Office of the Company.

On receipt of requisition Directors to convene Meeting.

53. Whenever an Extraordinary General Meeting shall have been held in pursuance of a valid requisition of Shareholders, and a resolution or resolutions shall have been duly passed thereat, the Directors shall hold a meeting to confirm such resolution or resolutions not before fourteen days and not later than twenty days from the date of the meeting at which the resolution was first passed, but if the Directors neglect to do so, the requisitionists themselves may convene such meeting within ten days after the said period of twenty days, and confirm the resolution or resolutions previously passed by them.

The Directors shall call confirmation Meeting.

If Directors don't call the confirmation Meeting.

Proceedings of General Meeting.

54. Seven days' notice at least of every General Meeting, Ordinary or Extraordinary, and by whomsoever convened, specifying the day, place and hour of meeting, and the objects and business of the meeting, shall be given either by advertisement, in two English and one Vernacular daily newspapers published in Bangalore, or by notice sent by post, messenger or otherwise to the registered address of every Shareholder; or, if the Directors or other the conveners think fit, both by advertisement and by notice as aforesaid, and, save as hereinafter mentioned, no business other than such as is specified in such notice shall be transacted thereat.

Seven days' notice of Meeting.

55. Every such notice shall be signed by the Chairman, or any one of the Directors for the time being of the Company, or by the Agents or such other officers of the Company, or by such other person as the Directors may appoint, except in the case of an Extraordinary General Meeting, convened in manner aforesaid by the requisitionists under a requisition of the Shareholders, in which case the notice shall be signed by the said Shareholders being not less than five in number.

Notice by whom to be signed.

56. The omission to give any such notice to any of the Shareholders, if the meeting has been previously advertised, shall not invalidate any resolution passed at any such meeting.

Effect of omission to give notice.

57. Every Ordinary General Meeting shall be competent, without special notice having been given of the purposes for which it is convened, or of the business to be transacted thereat, to elect a Chairman (in the absence of the Chairman

Business which may be transacted at Ordinary General Meeting without notice.

of the Board) to receive, discuss and pass resolutions regarding any matters mentioned in the report of the Directors and any account presented thereto by the Directors, and to declare dividends, and to elect Directors and Auditors retiring in rotation, and (save as herein otherwise provided) to fix the remuneration of Auditors, and to transact all or any other business relating to the concerns of the Company of which special mention shall have been made in the notice or notices upon which the meeting was convened.

58. With the exceptions mentioned in the foregoing Articles as to the business which may be transacted at any Ordinary General Meeting without notice, no General Meeting, Ordinary or Extraordinary, shall be competent to enter upon, discuss, or transact any business which has not been specially mentioned in the notice or notices upon which such meeting was convened.

Business to be transacted in Meetings.

Quorum of Shareholders.

59. No business shall be transacted at any General Meeting, except the declaration of a dividend recommended by a report of the Directors, unless a quorum of members is present at the time when the meeting proceeds to business. Such quorum shall be determined as follows: that is to say, if the number of Shareholders in the Company for the time being do not exceed ten in number, the quorum shall be five; if they exceed ten but do not exceed fifteen, the quorum shall be six; if the number of Shareholders exceed fifteen there shall be added to the above quorum one for every five additional Shareholders up to thirty-five. If the number of Shareholders exceed thirty-five, ten Shareholders shall form a quorum.

Members present to form quorum not proxies.

60. In computing or ascertaining a quorum only members of the Company personally present at the meeting shall be counted, and proxies shall not be counted.

If quorum not present, Meeting to be dissolved or adjourned.

61. If within one hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other time and day, not before four days and not later than ten days from the day of the last meeting, and at such place as the Chairman or Shareholders present at the adjourned meeting may determine.

AdjournedMeeting to transact business.

62. At any adjourned meeting of the Company, if a quorum be not present within one hour from the time fixed for such adjourned meeting, the same shall be again adjourned in the manner prescribed in the last preceding clause, provided that such last mentioned adjourned meeting shall not take place before the fourth day nor after the fourteenth day from that on which such further adjournment takes place, and at any meeting so adjourned for a second time for want of a quorum the Shareholders present, whatever their number or the amount of shares held by them, shall have power to decide upon all the matters which could properly have been disposed of at the meetings from which the adjournment took place, if a quorum had been present thereat.

63. Whenever any Meeting is adjourned in the manner hereinbefore mentioned, at least two days' notice of such adjournment shall be given to the Shareholders in any two English and one Vernacular daily newspapers, or by writing transmitted through post or by a messenger to the registered address of the Shareholders. Notice of adjournment.

64. The Chairman (if any) of the Board of Directors shall, if willing, preside at every General Meeting, whether Ordinary or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal, some one of the Directors (if any be present) shall be chosen to be Chairman of the meeting, and if the chair be not taken by the Chairman of the Board, or by a Director, at the expiration of half an hour from the time appointed for holding the Meeting, or if before the expiration of that time all the Directors shall decline to take the chair, the Shareholders present shall choose one of their own number to be Chairman of the meeting. Chairman or Director to be Chairman of Meeting. In their absence Shareholders to elect a Chairman.

65. No business shall be discussed at any General Meeting except the election of a Chairman whilst the chair is vacant. When chair vacant no business to be transacted except election of Chairman.

66. The Chairman, with the consent of a majority of the meeting, may adjourn any meeting from time to time, and from place to place in Bangalore; but no business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place. Chairman with consent of Shareholders may adjourn Meeting.

67. Every resolution submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of equality of votes, the Chairman shall, both on the show of hands and at a poll (if any), have a casting vote in addition to his own. Motion how decided

68. A declaration by the Chairman of any meeting that a resolution has been carried thereat upon a show of hands shall be conclusive, and an entry to that effect in the Book of Proceedings of the Company shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, unless immediately on such declaration a poll shall be demanded in writing and be signed by at least five of the Shareholders present, holding at least 200 shares and entitled to vote at such meeting. Any demand for a poll shall be made in the following or similar terms :— Questions at General Meetings how decided.

"We, the undersigned Shareholders of the MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, hereby demand that the votes of this day's meeting on the undermentioned proposition submitted to it may be taken by a poll. Dated this day of 188 ." Form of demand for Poll.

69. If a poll be duly demanded, the same shall be taken within six days from the day on which the same is demanded, at such hour and place, and either by open voting or by ballot, and in such manner as the Chairman shall direct; and the result of the poll shall be the resolution of the meeting at which the poll was demanded. Two scrutineers shall be appointed by the Chairman from amongst Poll how to be taken.

those present at the meeting at which the poll is demanded, but in the event of no one accepting the post the Chairman himself shall be the scrutineer.

Votes of Shareholders.

Shareholders entitled to vote.

70. Every Shareholder who has been duly registered in the Register of Members of the Company for fifteen days previous to any General Meeting shall be entitled to vote at such meeting as follows :—

Votes how calculated.

1 to 100 shares = 100 votes, or 1 vote for every share.
100 to 200 shares = 10 votes, or 1 vote for every 10 shares.
201 shares and upwards = 1 vote for every 20 shares.

Indebted Shareholders not entitled to vote, speak or be present.

71. No Shareholder shall be entitled to vote, speak, or be present at any General Meeting whilst any moneys due from him for calls, interest, and expenses incurred thereon shall remain unpaid.

Vote of a lunatic, idiot, or a minor not to be counted.

72. The vote of any Shareholder of the Company who is lunatic, an idiot, or a minor shall not be recorded.

Votes may be given personally or by proxy.

73. Votes may be given either personally or by proxy.

Instrument of proxy.

74. The instrument appointing a proxy shall be in writing under the hand of the appointer, and shall be attested by one or more witness or witnesses. A person holding a general power of attorney from a Shareholder may appoint a proxy, and the person appointed as a proxy shall be a Shareholder qualified to vote.

Deposit of proxy.

75. The instrument appointing a proxy shall not be valid unless the same be deposited at the Registered Office of the Company at least forty-eight hours before the time appointed for holding the meeting at which the person named in such instrument proposes to vote; but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.

Form of special proxy.

76. The instrument appointing proxy shall be in one of the following forms :—

Form of Special Proxy.

(*a.*) I, *A. B.*, being a Shareholder of the MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, do hereby appoint *C. D.*, of also a Shareholder of the said Company, to be my proxy, and to vote for me at the (Ordinary or Extraordinary) General Meeting of the Company to be held on the day of 188 and at any adjournment thereof in the same manner as I myself could vote if personally present at any such meeting. As witness my hand this day of 188

Signed by the said in the presence of

Form of General Proxy.

Form of gederal proxy.

(*b.*) I, *A. B.* of being a Shareholder of the MAHARAJAH OF MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED, do hereby appoint *C. D.*, of also a member of the said Company, to be my proxy, and to vote for me at every and all Ordinary and Extraordinary General Meetings, whether adjourned or otherwise, of the Company, in the same manner as I myself could do if I were

personally present at any meeting. This proxy to have effect and be in force for twelve months from the date hereof, unless the same shall be previously revoked, and notice of such revocation be given in writing by me to the Company. As witness my hand this day of 188

Signed by the said
in the presence of

General and special proxy with whom to remain.

78. All instruments of proxy if in the form distinguished by the letter (*a*) mentioned in the last preceding clause shall remain in the custody of the Company permanently, or for such time as the Directors may determine, or if in the form distinguished by letter (*b*) shall be duly registered, and returned, after the business of the meeting at which it is used is over, to the persons by whom they were delivered.

Directors.

Number of Directors.

78. The number of Directors shall not be less than four and not more than nine, including the Director *ex-officio*.

First Directors of the Company.

79. The first Directors of the Company shall be James Scott, Esq., (Messrs. Scott and Co., 9, Hornby Row, Bombay); Isaac Alcock, Esq., (Messrs. Alcock, Ashdown & Co., Iron Founders, Bombay); Shapoorjee Burjojee, Esq., (Messrs. Talluckchund and Shapoorjee, Bombay); B. Srinivasaiengar, Esq., (Retired Assistant Commissioner); M. W. Walker, Esq., Agent, Bangalore Bank, (Limited); V. Arnachellum Moodelliar, Esq., Contractor, Bangalore; Dodi Vencataramana Chetty, Esq., Municipal Commissioner, Pettah, Bangalore and ; V. Theroovengadasawmy Moodelliar (Abkarry Contractor.) All acts *bona fide* done by the said Directors on behalf of the Company prior to the registration of these Articles are hereby ratified and confirmed by the Company.

Director *ex-officio*.

80. Some one member of the firm for the time being Agents of the Company shall be a Director *ex-officio*.

Qualification and remuneration of Director.

81. The qualification of a Director shall be his holding at least ten shares in the Company, registered in his name, at least for ten days previous to his appointment, and the remuneration of every Director, inclusive of the Director *ex-officio*, shall be Rs. 15, and the remuneration of the Chairman shall be Rs. 20, for every meeting of the Board attended by them or him respectively.

Powers of the Directors.

Express power of the Board.

82. The object and business of the Company shall be carried out and managed by the Board (with the assistance of the Agents appointed by Clause 3, paragraph [*o*] of the Memorandum and Clause 106 of the Articles), who, in addition to the powers and authorities by the said Act, or by these presents, expressly conferred upon them, may exercise all such powers, give all such consents, make all such arrangements, and generally do all such acts and things as are or shall be by the said Act or the Memorandum or these presents directed or authorised to be exercised, given, made or done by the Company, and are not thereby expressly directed to be exercised, given, made, or done by the Company, in General Meeting, but subject, nevertheless, to the provisions of the said Act and of these presents, and

subject also to such (if any) regulations as are from time to time prescribed by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior Act of the Board which would have been valid if the regulation had not been made.

83. The following powers and authorities are expressly given to and conferred upon the Board :—

(*a*) To purchase, in Bangalore, or in any part of India or elsewhere, any machinery, plant, stores and other articles and things for all or any of the objects or purposes of the Company, and to pay for the same either in cash or to make advances on them.

(*b*) To buy, in Bangalore, or elsewhere, for the purpose of manufacture, raw cotton and all materials and things useful or necessary for dyeing, bleaching and printing purposes; to spin, weave, manufacture, dye, bleach and print and otherwise utilise the same, and to sell in Bangalore for cash or on credit, or to contract for the sale and future delivery of, or to send for sale in any part of India or elsewhere, the yarn, cloth and other commodities so manufactured or prepared, as the Directors may deem advisable.

(*c*) To purchase, buy, take on lease or otherwise acquire any land (whether freehold, leasehold or otherwise), houses, buildings or other property with or without machinery in Bangalore and to erect, construct and build any warehouses, engine houses, factories, mill or other buildings which may be considered expedient or desirable for the objects or purposes of the Company or any of them, and to pay for the same land, buildings and other property, whether purchased or acquired or built or constructed by the Company, either in cash or to make advances on them or any of them.

(*d*) To extend the business of the Company from time to time, by adding to, altering or enlarging all or any of the buildings, mill premises, plant and machinery for the time being the property or in the possession of the Company, also, by erecting new or additional buildings on all or any of the lands for the time being the property or in the possession of the Company, and also by expending from time to time such sums of money as may in the opinion of the Directors be necessary or expedient for the purposes of improving, adding to, altering, repairing and maintaining the buildings, machinery, plant and property for the time being of the Company, and to pay for all such extensions, improvements, additions, and alterations either in cash or to make advances on them.

(*e*) To resell from time to time any raw cotton, and all other *fibrous* articles, materials, machinery, plant, stores and other articles and things as the Directors may think proper.

(*f*) To remove all or any of the machinery, plants and stores of the Company for the time being in or upon any land, buildings or premises of the Company to other lands, buildings or premises, wheresoever situate, of the Company.

(*g*) To invest the funds of the Company from time to time in the unallotted or forfeited shares of the Company, or in any shares of the Company which may have been allotted or taken up or which may be afterwards offered by the holders thereof for disposal, provided that the aggregate nominal value of the shares held by the Company shall not at any one time exceed one-fourth of the capital for the time being of the Company, and from time to time to sell such shares in accordance with the provisions of paragraph (*s*) of this clause of the Articles.

(*h*) To authorise or empower the Agents, Secretary or Officers for the time being of the Company, or such other person or persons as the Directors may think fit, to exercise and perform all or any of the powers, authorities and duties conferred or imposed upon the Directors by the Memorandum or Articles of Association.

(*i*) From time to time to nominate and appoint for a period not exceeding three years, and at pleasure to remove or suspend, as the Directors deem best for the management of the business of the Company, Secretaries, Managers, Officers, Clerks, Engineers, Workmen, and all other employés of the Company (with the exception of the Agents expressly appointed under Clause 106 of those Articles), and to fix all commissions, remunerations, salaries, and wages to be paid by the Company to Officers of the Company respectively.

(*j*) To raise or borrow money from time to time, by Bonds, Debentures or Promissory Notes, or by opening current accounts, or by receiving advances with or without security; or by mortgaging any lands, buildings, machinery, goods or other property of the Company, or by such other means as the Directors may deem expedient.

(*k*) To draw, accept, endorse, negotiate and sell Bills of Exchange and other negotiable instruments with or without security.

(*l*) To undertake on behalf of the Company the pa of all rent, and the performance of all covenants, conditions, and agreements contained in or reserved by any lease that may be granted or assigned to, or otherwise required by the Company.

(*m*) To ensure or keep insured, if deemed expedient, all or any of the buildings, machinery, goods, stores, produce and other articles of the Company, either separately or conjointly, for such period and to such extent as the Directors may think proper, and to sell, assign, surrender or discontinue any Policies of Assurance effected in pursuance of this power.

(*n*) To purchase the reversion or reversions and otherwise to acquire the freehold or fee simple of all or any of the lands of the Company for the time being held under lease or for an estate less than a freehold estate by the Company.

(*o*) To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purposes of the Company.

(*p*) To compromise any debt or claim, or to give time to any debtor for the payment of his debt, and to refer any matter or dispute to arbitration.

(*q*) To commence, institute, prosecute and defend all such actions and suits as the Directors may think necessary or proper to bring or defend on the part of the Company, and to compromise or submit to arbitration the same actions and suits, as the Directors in their discretion may think fit. The Directors for the time being, or any person duly authorised by them, shall be entitled to make, give, sign, and execute all and every warrant to sue or defend on behalf of the Company, and all and every submission to arbitration as may be requisite ; and for the purposes aforesaid the Board of Directors shall be empowered to use their own names on behalf of the Company, or the name or names of any other person or persons connected with the Company, or duly authorised by the Directors, and such Director or Directors, or such person whose name shall be so used, shall be saved harmless and indemnified, out of the funds and property of the Company, from all costs and damages which he or they may incur or be liable to by reason of his or their names being so used as aforesaid; and such person or persons shall do nothing to prevent the Board of Directors from effectually conducting and bringing to an issue any such action or suit.

(*r*) To invest the funds of the Company from time to time in Government securities, or securities guaranteed by Government, or in the shares of the Company; and from time to time to sell or vary all such investments, and to execute all assignments, transfers, receipts and documents that may be necessary or expedient in that behalf.

(*s*) To sell from time to time any shares that may be taken over, or upon which the funds of the Company may have been invested in manner aforesaid ; and to enter to a separate account any profit that may be realized by such sale, and to apply the monies standing to the credit of such account for any of the ordinary purposes of the Company, or towards maintaining and improving and adding to

the buildings, machinery, premises and other property of the Company, or towards making good any loss that may have been sustained by dealings with the shares of the Company, or carry the same to the credit of profit and loss account of the Company, and to execute, sign and deliver all transfers, assignments or documents that may be necessary or expedient in or about the sale of shares as aforesaid.

(*t*) To pay or allow dividends on all shares held by the Company, howsoever acquired, and to enter the amount of such dividends from time to time to a separate account, and to employ such amount towards equalising dividends, or towards the expenses of working the Company, or towards maintaining and improving the buildings, machinery, premises and other property of the Company, or towards making good any loss that may be sustained by dealing with shares of the Company, or towards providing for bad debts, or for reducing the cost of land, buildings, machinery, and plant, or for any other objects of the Company, to carry the same to the credit of profit and loss account of the Company in such manner as the Directors may deem expedient.

(*u*) To set aside from time to time a sum of money out of the net profits realised by the Company, and to place the same to any one or more of the following accounts:

1. Reserve Fund account.
2. Fire Insurance account.
3. Leasehold Fund account.
4. Repairs Fund account.
5. Engine and Machinery account.
6. Building account.
7. Bad Debt account.
8. Shares held on account of the Company.

Provided that the sum set apart to the credit of any one of the above-named accounts at any one time shall not exceed fifteen per cent. of the net profit realised by the Company in any one year, or half-year, or for any shorter period for which the profit and loss account of the Company may be made up, and that the total amount of the sum so set aside at any one time shall not exceed twenty-five per cent. of the net profits realised by the Company for that time.

(*v*) All monies which may be placed to the credit of the several accounts mentioned in the last preceding clause shall be used only in the manner

next hereinafter provided with regard to such accounts respectively, *viz.*, —

Reserve Fund Account and the interest due thereon may be applied towards meeting contingencies, equalising dividends repairing, maintaining, improving, or adding to the buildings, machinery, and other works connected with the business of the Company, or in or towards any other of the purposes of the Company, as the Directors may deem expedient.

Fire Insurance Fund Account and the interest due thereon may be applied towards payment of premia upon any policy or policies of insurance that may be effected by the Company, or towards making good to the Company any loss the Company may have suffered by fire or accident to any portion of the property of the Company.

Leasehold Fund Account and the interest due thereon may be applied towards payment of the rent or rents, fine or fines, reserved by any indenture of lease, or other document of title held by the Company; or towards the conversion of any leasehold or less than freehold estates held by the Company into freehold estates in manner hereinbefore provided, or towards the purchase of land with or without buildings.

Repairs Fund Account and the interest due thereon may be applied towards the execution of any repairs to, or alterations in, the buildings for the time being of the Company.

Building Account and the interest due thereon may be applied towards writing off depreciation in the value of the buildings for the time being of the Company.

Machinery Account and the interest due thereon may be applied towards writing off depreciation in the value of machinery, or towards replacing any machinery that may have deteriorated, or towards purchasing machinery.

Bad Debt Account and the interest due thereon may be applied towards writing off any loss that may arise from bad debts.

(*w*) And generally to do, sanction and authorise all such matters and things as may be necessary to be done, authorised, or sanctioned in or about the general business and affairs of the Company, or in or about the execution of all or any of the powers hereinbefore conferred upon the Directors.

Disqualification of Directors.

84. Every Director of the Company shall vacate his office of Director— Disqualification of Directors.

a. If he becomes bankrupt or insolvent.

b. If, by reason of, mental or bodily infirmity, he becomes incapable of acting.

c. If he be absent from the Board for more than four consecutive months without the consent of the Board.

d. If he ceases to hold the required number of shares to qualify him for the office.

e. If he is concerned or participates in the profits of any contract with or work done for the Company.

f. But the above rules shall be subject to the following exceptions: That no Director shall vacate his office by reason of his being a Shareholder in any incorporated Company which has entered into any contract with or done any work for the Company of which he is a Director, or by his being Agent, Treasurer, Manager, Secretary or Solicitor, or a member of any firm being Agents, Treasurers, Managers, Secretaries or Solicitors of the Company, or by his receiving any share in the commission drawn by the Agents; and a Director shall be at liberty to sell to the Company cotton and all other raw produce, coal, stores, materials, machinery and other articles, and to buy from the Company any produce manufactured by the Company, or machinery, coal, stores, raw materials or any other articles, and also to lend money to the Company; but a Director shall not be entitled to vote in respect of matters in which he may be interested in the manner abovementioned, and if he vote, his vote shall not be counted.

Rotation of Directors.

85. The first Directors shall continue in office until the first Ordinary General Meeting of the Company which may be held after the registration of these presents, at which period they all (except the Director *ex-officio* as aforesaid) shall retire from office. First Directors how long to remain in office.

86. The General Meeting at which Directors retire or ought to retire by rotation shall appoint successors to them, and in default of such appointment the retiring Directors or Director shall continue to act as Directors or Director of the Company, until their successors shall have been duly appointed at a subsequent General Meeting. Appointment of their successors.

87. Any casual vacancy, other than that of the Director *ex-officio*, occurring in the number of Directors, may be filled up by the Board, subject to the approval of the next Ordinary General Meeting; but any person so chosen shall Board may fill up vacancies.

retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

Two Directors to retire every year.

88. At the second Ordinary General Meeting and at the Ordinary General Meeting in every subsequent year two of the Directors for the time being (other than the Director *ex-officio*) shall retire from office by rotation.

Retiring Directors how determined.

89. The Directors to retire from office at the second Ordinary General Meeting shall, unless the Directors otherwise arrange among themselves, be determined by ballot; in every subsequent year the Directors to retire shall be those who have been longest in office. In case any question shall arise as to which of the Directors who have been the same time in office shall retire, the same shall be decided by the Directors by ballot unless the Directors shall agree among themselves upon the subject.

Retiring Directors may be re-elected.

90. Retiring Directors shall be eligible for re-election.

A Director may resign.

91. A Director may at any time give notice in writing of his wish to resign by leaving such notice at the Registered Office of the Company; and on the expiration of fifteen days from the service of such notice, or the previous acceptance of his resignation by the Board, his office shall be vacant.

Directors may be removed and successors appointed.

92. The Company may, by a Special Resolution, remove any Director, except the Director *ex-officio*, before the expiration of his period of office, and may appoint another qualified Shareholder in his place, and the Director so appointed shall in all respects stand in the place of his predecessor.

Indemnity to Directors and other officers.

93. Every Director, Agent, Auditor, Manager, Secretary and other officer, and his heirs, executors, and administrators, shall be indemnified by the Company from all losses and expenses incurred by him respectively in or about the discharge of his respective duties, except such as happen from his respectively wilful acts or defaults.

Protection of Directors and officers from liability in certain cases.

94. No Director or officer, nor the heirs, executors and administrators of any Director or officer, shall be held liable for joining in any receipt or other act for conformity's sake, or for any loss or expense happening to the Company by the insufficiency or deficiency of title to any property acquired by other of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested, or from any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effect shall be deposited, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of his respective office, or in relation thereto, unless the same shall happen through his own wilful act or default.

Proceedings of Directors.

Meetings of Directors.

95. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit, and determine the

quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman shall have a second or casting vote.

Chairman of Directors.

96. The Directors may elect a Chairman of their meetings, who shall continue to hold that office at the pleasure of the Directors; but if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present may choose some one of their number to be Chairman of such meeting.

Committees how and when to be appointed.

97. The Directors may delegate any of their powers to the Agents or to Committees, consisting of such members of their body as they think fit; but every such Committee shall consist of two members at the least, and shall not remain in force for a longer time than three months, after which time they should retire, and may be re-appointed from time to time. The Agents and every Committee so formed shall, in exercise of the powers delegated to them, conform to all such regulations as may be prescribed by the Directors; all acts done by the Agents or any such Committee in conformity with such regulations, and in fulfilment of the purposes of their appointment, but not otherwise, shall have the like force and effect as if done by the Board themselves.

Validity of acts of Board or of Committees.

98. The acts of the Board, and of any Committees appointed by the Board, shall, notwithstanding any vacancy in the Board or Committee, or any defect in the appointment of any Director, or of any member of the Committee, be as valid as if no such vacancy or defect had existed, and as if every such person had been duly appointed, provided the same be done before the discovery of the defect by the acting parties.

Meetings and proceedings of Committees.

99. The meetings and proceedings of such Committees shall be governed by the provisions herein contained for regulating the meetings and proceedings of Directors, so far as the same are applicable thereto, and so far as the same shall not be superseded by the express terms of the appointment of any such Committee respectively or any regulations imposed by the Board.

Minutes of Meetings of Board and Committees.

100. The Board, and any Committee appointed by the Board, shall respectively cause minutes to be made, in books to be provided for the purpose, of the following matters:—

I. Of the names of all the Directors present at each meeting of the Directors, and of the members of the Committees appointed by the Board present at each meeting of the Committee.

II. Of the proceedings of all General Meetings.

III. Of the proceedings of all meetings of the Directors, and of all Committees appointed by the Board.

Signature to minutes and effect thereof.

101. All such minutes shall be signed by the person or one of the persons who shall have presided as Chairman of the General Meeting, the Board Meeting, or the Committee Meeting at which the business minuted shall have been transacted, or by the person or one of the persons who shall preside as Chairman at the next

ensuing General Meeting or Board meeting, or Committee meeting respectively; and all minutes purporting to have been signed by any Chairman of any General Meeting, Board Meeting, or Committee Meeting respectively, shall, for all purposes whatever, be *primâ facie* evidence of the actual and regular passing of the resolutions, and the actual and regular transaction or occurrence of the proceedings and other matters purporting to be so recorded, and of the regularity of the meeting at which the same shall appear to have taken place, and of the Chairmanship and signature of the person appearing to have signed as Chairman.

Business of the Company when to be commenced.

102. The Directors shall be at liberty to carry on the business of the Company so soon as they shall think fit, notwithstanding the whole capital may not have been subscribed for or taken.

Common seal of the Company and how to be used.

103. The Board shall have power to provide a common seal for the purposes of the Company, and from time to time to destroy the same and substitute a new seal in lieu thereof. Until such seal is provided, every instrument to which a seal is required to be affixed may be sealed with the seals of a majority of the Directors.

Deed how to be executed.

104. Save as aforesaid every deed or other instrument to which the seal is required to be affixed shall be signed and sealed by two of the Directors and countersigned by the Agents or Secretary.

The Agents.

Appointment of Agents.

105. The partners who at present constitute, or who may hereafter constitute, the firm of Messrs. James Scott and Co., of 9, Hornby Row, Bombay, for a fixed term of twenty-five years, shall be the Agents of the Company, and at the end of such period the Agents shall remain in office unless they shall be removed by a majority of the votes of the Shareholders, and their remuneration as such Agents shall be ten per cent. on the net profits of the Company.

Powers of Agents.

106. Subject to the supervision and control of the Directors, the Agents for the time being of the Company shall have the general conduct and management of the business and affairs of the Company, and shall have full power on behalf of the Company, with the sanction of the Directors, to purchase and sell, and to enter into any contracts for the purchase and sale of raw cotton, coal, stores, machinery, and all other moveable articles and things the sale or purchase of which may be necessary or advisable in the interests of the Company. Subject, as aforesaid, the Agents shall likewise have the power of making payments in respect of all purchases, and of receiving and granting receipts for all monies payable in respect of all sales effected by or on behalf of the Company.

Dividends.

Annual dividends.

107. The Directors may, with the sanction of the Company in General Meeting from time to time, declare an annual dividend to be paid to the Shareholders in proportion to their shares.

Ad interim dividends.

108. The Directors may without such sanction declare half-yearly an *ad interim* dividend to be paid to the Shareholders in proportion to their shares.

Dividend of 12 per cent. guaranteed by Agents.

109. The said Agents shall pay to all Shareholders who prefer taking any shares under a guarantee, a dividend of twelve per cent. per annum, for a period

of twelve years, whether such dividend be realized or not, and in consideration of such guarantee the Agents shall receive one-half of the profits (if any) in excess of the twelve per cent so guaranteed by them as aforesaid, giving the remaining half of such excess profits to the Shareholders affected thereby. And the Directors shall hold in deposit for the term of twelve years aforesaid, one thousand fully paid up shares, the property of the Agents, as collateral security for the payment of the guaranteed dividend of twelve per cent per annum, to the Shareholders who may hold their shares, under such guarantee. All such guaranteed Shares shall be stamped with the word "Guaranteed" before being issued.

Unpaid dividend or interest.

110. No unpaid dividend or interest shall ever bear interest as against the Company.

Shareholders not entitled to dividends until all monies due from them be paid.

111. No Shareholder shall be entitled to receive payment of any dividend in respect of his share or shares until all monies due or owing from him to the Company in respect of such share or shares, or on any other account whatsoever, shall have been paid.

Directors to deduct from dividends debts due to the Company.

112. The Directors may deduct from the dividends payable to any Shareholder all such sums of money as may be due from him to the Company on account of any calls, or interest due thereon, and expenses incurred in respect of the same, or on account of any other matter whatsoever.

Notice of dividend.

113. Notice of any dividend that may have been declared shall be given to the Shareholders either by advertisement in two English and one Vernacular daily newspapers published in Bangalore, or by writing sent to the registered address of the Shareholders through the post or by a messenger.

Production of Share Certificates when applying for dividend.

114. The Directors may, if they think fit, call upon the Shareholders when applying for dividends to produce their share certificates to the Agent or the Secretary or any person appointed by the Company.

Unclaimed dividends when to be forfeited.

115. All dividends that may remain unclaimed for six years after having been declared may be forfeited by the Directors for the benefit of the Company by passing a Resolution to that effect, and may be carried by them to the Reserve Fund account.

Account.

What accounts to be kept.

116. The Directors shall cause true accounts to be kept of the paid-up capital for the time being of the Company, and of all sums of money received or expended by the Company, and of the matter in respect of which such receipt or expenditure takes place, and of the credits and liabilities of the Company, and generally of all its commercial, financial, and other affairs, transactions, and engagements, and of all other matters necessary for showing the true financial state and condition of the Company; and the accounts shall be kept in such books and in such manner as the Directors may deem expedient.

Balance Sheet and Profit and Loss Account to be laid annually before the Shareholders.

117. The Directors shall annually, before the 31st day of May, lay before the Company in General Meeting a yearly statement or statements of Balance Sheet and Profit and Loss Account, made up to the 31st day of December then last past,

showing in detail the total income and the total expenditure of the Company, and printed copies of the Balance Sheet and Profit and Loss Account shall be forwarded to the Shareholders at their respective registered addresses, through the post or by messenger, at least seven days before the Ordinary General Meeting of each year.

Directors may make accounts for period or periods less than one year.

118. The Directors may, if they choose, instead of preparing one yearly account as above stated, prepare a statement or statements of Balance Sheet and Profit and Loss Account for any period or periods less than one year, and may lay the same before the Company in general meeting, or may first forward the same to the Shareholders at their respective registered addresses, and then call a meeting to consider and pass the same. In the event of the accounts being so rendered, the accounts at the Annual General Meeting to be rendered for the remaining portion of the year only.

Audit.

Accounts when to be audited.

119. Once at least in every year the accounts of the Company shall be examined and the correctness of their statements ascertained by two or more Auditors. The accounts may also be audited for any period less than one year, if the Directors think fit.

Auditors how to be appointed.

120. The first Auditors of the Company shall be appointed by the Directors; subsequent Auditors shall be appointed by the Company in General Meeting.

Remuneration of Auditors.

121. The remuneration of the first Auditors shall be fixed by the Directors; that of subsequent Auditors shall be fixed by the Company in General Meeting.

Auditors not to be interested in the Company except as Shareholders.

122. The Auditors may be members of the Company; but no person is eligible as an Auditor who is interested otherwise than as a member in any transaction of the Company; and no Director or other officer of the Company is eligible during his continuance in office.

Auditors to be re-appointed.

124. Any Auditor shall be eligible for re-election.

Casual vacancy to be filled up by the Board.

123. If any casual vacancy shall occur in the office of any one of the Auditors appointed by the Company, the Directors shall fill up the vacancy by the appointment of a person, who shall hold office until the next Ordinary General Meeting. In the event of any casual vacancy occurring in the office of the other Auditor, the Directors shall forthwith call an Extraordinary General Meeting of Shareholders for the purpose of appointing another person in his place, and such Auditor shall continue, as aforesaid, in his office untll the next General Meeting.

Copies of Balance Sheet and Profit and Loss Account to be given to Auditors.

125. The Auditors shall be supplied with copies of the Balance Sheet and Profit and Loss Account intended to be laid before the next Ordinary General Meeting, and it shall be their duty to examine the same with the accounts and vouchers relating thereto, and to report thereon to the Meeting, generally or especially, as they may think fit.

Auditors to have inspection of all vouchers and accounts.

126. All books of accounts and vouchers of the Company shall at all times be open to the Auditors for the purpose of audit, and also only such minutes of the Board as may relate to any such account.

Notices.

127. Any notice required to be served by the Company upon a Shareholder may be given either by advertisement in two English and one Vernacular daily papers published in Bangalore, or in writing sent to the registered address of the Shareholder either through the post or by a messenger. Notice how to be given.

128. Any notice if served by post shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of the post, and for such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put in the Post Office. Notice when deemed to be served.

129. All notices to be given on the part of Shareholders, shall be left at, or sent through the post to, the registered office of the Company. Notice on part of the Shareholder how to be given.

130. Every person who by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound to any and every notice or other document which, previous to his name and address being entered upon the Register in respect of the share, is given to the person from whom he derives his title and who is registered. Notice binding on the Shareholders.

131. When any notice or document is delivered or sent in accordance with these presents, at or to the registered place of abode of a shareholder or to his agent as above provided, then notwithstanding he be then deceased, and whether or not the Company have notice of his decease, such service of the notice or other document shall, for all purposes of these presents, be deemed service thereof on his heirs, executors, administrators, and every of them. Notice binding on the heirs, &c., of a deceased Shareholder.

132. A notice given to any one or more joint owners of any share which may be the subject of joint ownership, shall be a sufficient notice to all the joint owners of such shares. Notice in case of joint ownership.